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Financial Report

United Cerebral Palsy of Greater New Orleans, Inc.

June 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 08 2012

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Kenner, Louisiana

June 30, 2011

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
United Cerebral Palsy of Greater New Orleans, Inc.,
Kenner, Louisiana.

We have audited the accompanying statement of financial position of United Cerebral Palsy of Greater New Orleans, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year comparative information has been derived from the 2010 financial statements audited by other auditors whose report dated December 15, 2010 expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Cerebral Palsy of Greater New Orleans, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated December 14, 2011 on our consideration of United Cerebral Palsy of Greater New Orleans, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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Our audit was conducted for the purpose of forming an opinion on the basic financial statements of United Cerebral Palsy of Greater New Orleans, Inc. taken as a whole. The accompanying schedule of income and expenses by program for the year ended June 30, 2011, is presented for purposes of additional analysis, and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 14, 2011.

Exhibit A

STATEMENT OF FINANCIAL POSITION

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

June 30, 2011
(With comparative totals for 2010)

	2011	2010
Assets		
Cash	$ 42,696	$ 48,486
Certificate of deposit	-	10,350
Contract fees receivable, net of allowance	88,442	75,121
Unconditional promises to give - United Way designations	17,295	5,887
Other receivables	-	9,765
Funds held by Greater New Orleans Foundation	44,208	39,286
Equipment, less accumulated depreciation	25,910	39,348
Other assets	32,102	32,868
Total assets	$ 250,653	$ 261,111
Liabilities		
Accounts payable	$ 15,325	$ 33,159
Accrued payroll and related liabilities	119,380	156,436
Capital lease obligations	29,460	39,311
Deferred rent	15,583	6,000
	179,748	234,906
Net Assets (Accumulated Deficit)		
Unrestricted	23,610	(9,682)
Temporarily restricted	17,295	5,887
Permanently restricted	30,000	30,000
	70,905	26,205
Total liabilities and net assets	$ 250,653	$ 261,111

See notes to financial statements.

STATEMENT OF ACTIVITIES

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2011
(With comparative totals for 2010)

	2011				2010
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Totals
Revenues and Support					
Program service fees - Medicaid	$ 1,983,960			$ 1,983,960	$ 2,111,677
Government and private funding and grants	5,834			5,834	39,463
United Way funding - designations		$ 15,003		15,003	4,347
Contract services - public	45,909			45,909	45,474
Contributions:					
Corporate sponsors	12,344			12,344	18,426
General public	9,865			9,865	12,017
Special events (net of expenses of $6,224 for 2011 and $947 for 2010)	5,222			5,222	2,508
Bingo (net of expenses of $165,345 and winnings of $120,800)	22,694			22,694	
Investment and other income	9,692			9,692	4,519
Investment gain on funds held by Greater New Orleans Foundation	6,774			6,774	4,808
Net Assets Released From Restrictions					
Expiration of time restrictions and program restrictions satisfied through payments	3,595	(3,595)		-	-
Total revenues and support	2,105,889	11,408	-	2,117,297	2,243,239
Expenses					
Program services:					
Adult Program	87,059			87,059	101,978
Children's Program	9,890			9,890	69,978
DayHab Program	-			-	31,263
Supported Living Services	1,602,133			1,602,133	1,792,476
Total program services	1,699,082	-	-	1,699,082	1,995,695
Supporting services:					
Management and general	373,515			373,515	433,312
Total expenses	2,072,597	-	-	2,072,597	2,429,007
Change in Net Assets	33,292	11,408	-	44,700	(185,768)
Net Assets (Accumulated Deficit)					
Beginning of year	(9,682)	5,887	$ 30,000	26,205	211,973
End of year	$ 23,610	$ 17,295	$ 30,000	$ 70,905	$ 26,205

See notes to financial statements.

Exhibit C-1

STATEMENT OF FUNCTIONAL EXPENSES

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2011

	Program Services				Supporting Services	
	Adult Program	Children's Program	Supported Living Services	Program Services Totals	Management and General	Totals
Salaries	$ 37,934	$ 4,771	$ 1,343,788	$ 1,386,493	$ 195,898	$ 1,582,391
Payroll taxes	2,589	584	102,631	105,804	14,408	120,212
Employee benefits	4,292	2,112	63,185	69,589	40,101	109,690
Total salaries and related expenses	44,815	7,467	1,509,604	1,561,886	250,407	1,812,293
Depreciation	2,090	-	7,963	10,053	3,385	13,438
Equipment repairs and maintenance	-	-	-	-	581	581
Interest expense	202	-	2,344	2,546	820	3,366
Meetings and conferences	-	-	-	-	6,411	6,411
Membership dues and national sharing	-	-	-	-	27,357	27,357
Miscellaneous expense	-	-	898	898	1,453	2,351
Occupancy	14,865	597	62,706	78,168	26,358	104,526
Postage and shipping	-	-	-	-	2,354	2,354
Printing and publications	-	-	-	-	704	704
Professional fees	17,396	56	2,610	20,062	30,812	50,874
Stipends	-	1,691	-	1,691	105	1,796
Supplies	7,358	79	2,638	10,075	8,554	18,629
Telephone	333	-	2,996	3,329	10,337	13,666
Travel and transportation	-	-	10,374	10,374	3,877	14,251
Total expenses	$ 87,059	$ 9,890	$ 1,602,133	$ 1,699,082	$ 373,515	$ 2,072,597

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2010

	Program Services					Supporting Services	
	Adult Program	Children's Program	DayHab Program	Supported Living Services	Program Services Totals	Management and General	Totals
Salaries	$ 35,245	$ 42,639	$ 19,497	$ 1,451,923	$ 1,549,304	$ 223,721	$ 1,773,025
Payroll taxes	3,406	2,752	1,422	119,936	127,516	16,596	144,112
Employee benefits	26,823	7,388	3,784	121,624	159,619	48,571	208,190
Total salaries and related expenses	65,474	52,779	24,703	1,693,483	1,836,439	288,888	2,125,327
Depreciation	1,299	361	750	9,519	11,929	3,935	15,864
Equipment repairs and maintenance	-	-	-	-	-	700	700
Interest expense	337	294	60	2,761	3,452	1,616	5,068
Loss on disposal of asset	-	-	-	-	-	9,468	9,468
Meetings and conferences	-	75	-	27	102	10,420	10,522
Membership dues and national sharing	-	-	-	-	-	31,822	31,822
Miscellaneous expense	45	846	-	453	1,344	3,474	4,818
Occupancy	7,145	6,139	4,799	62,131	80,214	29,538	109,752
Postage and shipping	-	-	-	-	-	4,415	4,415
Printing and publications	-	-	-	-	-	832	832
Professional fees	14,540	3,600	200	4,605	22,945	28,617	51,562
Stipends	-	1,909	-	-	1,909	-	1,909
Supplies	9,726	115	181	367	10,389	8,518	18,907
Telephone	1,328	1,304	270	7,058	9,960	8,173	18,133
Travel and transportation	2,084	2,556	300	12,072	17,012	2,896	19,908
Total expenses	$ 101,978	$ 69,978	$ 31,263	$ 1,792,476	$ 1,995,695	$ 433,312	$ 2,429,007

See notes to financial statements.

STATEMENT OF CASH FLOWS

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2011
(With comparative totals for 2010)

	2011	2010
Cash Flows From Operating Activities		
Change in net assets	$ 44,700	$ (185,768)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	13,438	15,864
Investment gain on funds held by Greater New Orleans Foundation	(4,922)	(2,904)
Loss on disposal of property and equipment	-	9,468
Changes in operating assets and liabilities:		
Contract fees and receivable	(13,321)	8,220
Unconditional promise to give - United Way designations	(11,408)	6,619
Other receivables	9,765	3,226
Other assets	766	250
Accounts payable	(17,834)	1,591
Accrued payroll and related liabilities	(37,056)	(13,898)
Deferred rent	9,583	6,000
Net cash used in operating activities	(6,289)	(151,332)
Cash Flows From Investing Activities:		
Proceeds from sale of certificate of deposit	10,350	138,889
Cash Flows From Financing Activities:		
Borrowing on capital lease obligations	-	15,231
Payments on capital lease obligations	(9,851)	(21,000)
Net cash used in financing activities	(9,851)	(5,769)
Net Decrease in Cash	(5,790)	(18,212)
Cash		
Beginning of year	48,486	66,698
End of year	$ 42,696	$ 48,486
Supplemental Disclosures		
Cash paid for interest	$ 2,125	$ 5,068
Noncash investing and financing transactions:		
Equipment purchased through capital lease	$ -	$ 26,000

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

United Cerebral Palsy of Greater New Orleans, Inc.

June 30, 2011

Note 1 - NATURE OF ACTIVITIES

United Cerebral Palsy of Greater New Orleans, Inc. ("UCP") is a nonprofit organization formed in 1950 which provides programs and services in several southeastern Louisiana parishes to advance the independence, productivity, and full citizenship of people with cerebral palsy and other disabilities and thereby to improve the quality of life for them and their families. UCP provides job placement and support for adults with disabilities in the Adult Program; and personal/respite care services and independent living assistance in the home through its Supported Living Services. UCP provided pediatric outpatient treatment, early intervention, and special instruction from birth to age twenty-one through its Soboloff Children's Services through August 2010.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when the related liability is incurred.

b. Basis of Presentation

UCP reports information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, based on donor stipulations and restrictions placed on contributions, if any. Accordingly, net assets of UCP and changes therein are classified and reported as follows:

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Basis of Presentation (Continued)

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of UCP and/or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor - imposed stipulations that they be maintained permanently by UCP. Generally, the donors of these assets permit UCP to use all or part of the income earned on related cash and investments for general or specific purposes.

c. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

d. Contract Fees Receivable

Contract fees receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

e. Allowance for Uncollectible Receivables

Services rendered to clients are paid through third parties. A receivable is recorded for third-party reimbursements which have not been collected. An allowance for doubtful accounts is recorded based on management's estimate of possible uncollectible receivables. Receivables are charged against the allowance when deemed to be uncollectible. Management believes contract fees receivables as of June 30, 2011 are fully collectible, and that no allowance was necessary. The balance of the allowance account was $6,636 as of June 30, 2010.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Promises to Give

Unconditional promises to give are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There are no conditional promises to give as of June 30, 2011 and 2010. Management considers all unconditional promises to give to be fully collectible as of June 30, 2011 and 2010.

g. Investments

Investments in certificates of deposit are recorded at cost, which approximates fair market value.

Pooled accounts managed by the Greater New Orleans Foundation are reported at fair market value, including any pro rata gains and losses.

Donated investments are valued at current market value at the date of donation.

h. Property and Equipment

Property and equipment is recorded at cost when purchased. Expenditures for maintenance, repairs, and minor renewals are charged against earnings as incurred. Major expenditures for improvements, renewals, and betterments are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Estimated useful lives of property and equipment range from five to ten years. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any resulting gain or loss is reflected in the change in net assets. Depreciation expense for the years ended June 30, 2011 and 2010 was $13,438 and $15,864, respectively.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose or for use for a specified period of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Property and Equipment (Continued)

Absent donor stipulations regarding how long those donated assets must be maintained, UCP reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. UCP reclassifies temporarily restricted net assets to unrestricted net assets at that time. If the donor has stipulated a time restriction, the expiration of this restriction is reported as the related asset is depreciated.

i. Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting periods are reporting as unrestricted support.

j. Compensated Absences

Full-time staff employees are entitled to paid vacations after one full year of employment. Vacations must be taken within the twelve months following the anniversary date of employment. Vacation time not used by this time will be forfeited and cannot be carried forward from year to year except with written approval. No more than two weeks can be accrued unless approved by the board of directors. Employees will be paid for unused vacation leave only upon termination and only for one year's accumulation. The total amount of accrued vacation leave as reported in accrued payroll and related liabilities on the Statement of Financial Position was $18,575 and $18,779 as of June 30, 2011 and 2010, respectively.

Sick leave accrues at one day for each month worked. An employee may accumulate sick leave not to exceed six months of leave. In no instance shall salary be paid in lieu of sick days unused, nor shall any employee receive wages for sick leave at termination.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Allocated Expenses

The costs of providing the programs and other activities are summarized in the Statement of Functional Expenses. Certain expenses have been allocated among the programs and supporting services based on management's estimates of the costs involved.

l. Income Taxes

United Cerebral Palsy of Greater New Orleans, Inc. is a nonprofit corporation organized under the laws of the State of Louisiana. It is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax under the authority of R.S.47:121(5). UCP is not subject to Federal income tax unless the organization has unrelated trade or business income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2008 and later remain subject to examination by taxing authorities. As of June 30, 2011, management of UCP believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

m. New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements*, ("ASU 2010-06"). ASU 2010-06 clarifies certain existing fair value disclosures and requires entities to disclose additional information regarding the amounts of and reasons for significant transfers between levels of the fair value hierarchy effective for reporting periods beginning after December 15, 2009. Effective for fiscal years beginning after December 15, 2010, it will also require entities to present information regarding changes in Level 3 assets and liabilities on a gross basis. Since ASU 2010-06 affects only fair value measurement disclosures, its adoption by UCP has no effect on UCP's net assets or changes in net assets.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. New Accounting Pronouncements (Continued)

In accordance with FASB ASC 958-205 and subsections (formerly FASB Staff Position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*), UCP has determined it is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"), which requires UCP to classify a portion of a donor-restricted endowment fund of perpetual duration as permanently restricted net assets, unless stated otherwise in the gift instrument by the donor. FASB ASC 958-205 is effective for years ending after December 15, 2008.

Originally, UCP followed guidance provided by the Uniform Management of Institutional Funds Act ("UMIFA") as Louisiana had not yet adopted UPMIFA. Effective July 1, 2010, Louisiana adopted a version of UPMIFA which is now followed by UCP. The adoption of FASB ASC 958-205 and the subsequent change in guidance from UMIFA to UPMIFA had no material impact on the net asset classification of UCP.

n. Subsequent events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 14, 2011, which is the date the financial statements were available to be issued.

o. Reclassifications

Certain reclassifications have been made to the 2010 financial statements to conform to 2011 presentations.

Note 3 - PROMISES TO GIVE

Unconditional promises to give consist of the following:

	June 30, 2011	June 30, 2010
United Way	$ 17,295	$ 5,887
Gross unconditional promises to give	17,295	5,887
Less allowance for uncollectible promises to give	-	-
Net unconditional promises to give	$ 17,295	$ 5,887

	June 30, 2011	June 30, 2010
Amounts due in :		
Less than one year	$ 17,295	$ 5,887
One to five years	-	-
Totals	$ 17,295	$ 5,887

Note 4 - PROPERTY AND EQUIPMENT

As of June 30, 2011 and 2010, the cost and accumulated depreciation were as follows:

	2011	2010
Furniture and equipment	$ 67,194	$ 158,662
Less accumulated depreciation	(41,284)	(119,314)
Net property and equipment	$ 25,910	$ 39,348

Note 5 - CAPITAL LEASE OBLIGATIONS

UCP acquired a telephone system and copier under capital leases. The equipment under capital lease obligations is included in equipment in the accompanying statements of financial position, and the related amortization is included in depreciation expense in the accompanying Statement of Functional Expenses. The net book value as of June 30, 2011 and 2010 was $17,767 and $24,935, respectively.

Note 5 - CAPITAL LEASE OBLIGATIONS (Continued)

Future minimum lease payments under the capital leases as of June 30, 2011 are as follows:

2012	$ 9,540
2013	9,540
2014	9,540
2015	3,940
Total minimum lease payments	32,560
Less amounts representing interest	3,100
Capital lease obligation	$ 29,460

Note 6 - FAIR VALUE MEASUREMENTS

Fair value concepts are applied in recording investments. A fair value hierarchy which has three levels based on the reliability of the inputs used to determine fair value. These levels include: Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other that quoted prices for the asset or liability, such as quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore requiring an entity to develop its own assumptions.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in a pooled investment account managed by Greater New Orleans Foundation ("GNOF ") are recorded at the fair value as reported by GNOF. Accordingly, UCP reports the portion of the pooled investment account within Level 1, Level 2, and Level 3 of the fair value hierarchy in the same allocations reported by GNOF.

This method may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while UCP believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 6 - FAIR VALUE MEASUREMENTS (Continued)

As of June 30, 2011 and 2010, assets measured at fair value on a recurring basis are comprised of and determined as follows:

Description	Fair Value At June 30, 2011	Quoted Prices In Active Markets (Level 1)	Based on Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by Greater New Orleans Foundation	$ 44,208	$ 13,284	$ 25,159	$ 5,765

Description	Fair Value At June 30, 2010	Quoted Prices In Active Markets (Level 1)	Based on Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Pooled accounts managed by Greater New Orleans Foundation	$ 39,286	$ 12,324	$ 22,468	$ 4,494

As of June 30, 2011 and 2010, there were no assets measured at fair values on a non-recurring basis.

The table below sets forth a summary of changes in the fair value of UCP's Level 3 assets for the years ended June 30, 2011 and 2010.

	2011	2010
Balance, beginning of year	$ 4,494	$ 4,162
Net realized gains (losses)	217	111
Net unrealized gains (losses)	1,477	417
Net purchases (sales)	(423)	(196)
Balance, end of year	$ 5,765	$ 4,494

Note 7 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are restricted by donors for specific purposes or for use in subsequent periods. As of June 30, 2011 and 2010, temporarily restricted net assets consisted of unconditional promises to give from the United Way of $17,295 and $5,887, respectively.

Permanently restricted net assets are assets comprised of amounts received from donors with stipulations that the principal be maintained in perpetuity. Investment income will be used to support the Spasticity Clinic. In 2003, UCP established an endowment fund through GNOF for this purpose. Funds held by GNOF are invested in a pooled investment arrangement. Distributions from this fund began in fiscal year 2004 and are anticipated annually based on earnings by the fund during the year. Distributions received will be restricted for the Spasticity Clinic. Distributions of $1,638 and $1,710, respectively, were received and spent for the Spasticity Clinic during the years ended June 30, 2011 and 2010.

Note 8 - DONOR DESIGNATED ENDOWMENT

The Endowments. UCP's endowment fund consists of a permanently restricted fund established primarily for the purpose of generating income to support the Spasticity Clinic. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law. UCP has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as not expressly requiring the preservation of the historical dollar value for donor restricted endowment funds absent explicit donor stipulations to the contrary.

The following are classified as permanently restricted net assets in the accompanying financial statements.

- the original value of gifts donated to the permanent endowment;
- the original value of subsequent gifts to the permanent endowment; and
- accumulations to the permanent endowment, made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Note 8 - DONOR DESIGNATED ENDOWMENT (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by UCP in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, UCP considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of UCP and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of UCP
- The investment policies of UCP

Endowment net asset composition as of June 30, 2011 and 2010 is as follows:

	2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	$ 14,208	$ -	$ 30,000	$ 44,208

	2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	$ 9,286	$ -	$ 30,000	$ 39,286

Note 8 - DONOR DESIGNATED ENDOWMENT (Continued)

Changes in endowment net assets for the years ended June 30, 2011 and 2010 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Net assets as of June 30, 2009	$ 6,382	$	$ 30,000	$ 36,382
Contributions				-
Investment return:				
Investment income, net	728			728
Net appreciation, realized and unrealized	3,886			3,886
Net asset releases	(1,710)			(1,710)
Net assets as of June 30, 2010	$ 9,286	$ -	$ 30,000	$ 39,286
Contributions				-
Investment return:				
Investment income, net	402			402
Net appreciation, realized and unrealized	6,158			6,158
Net asset releases	(1,638)			(1,638)
Net assets as of June 30, 2011	$ 14,208	$ -	$ 30,000	$ 44,208

Funds with Deficiencies. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that either the donor or UPMIFA requires the UCP to retain as a fund of perpetual duration. These deficiencies can result from unfavorable market fluctuations that occur after the investment of permanently restricted contributions. There were no such deficiencies of this nature as of June 30, 2011 and 2010.

Return Objectives and Risk Parameters. Management has adopted investment and spending policies for endowment assets that preserve the real purchasing power of the principal and provide a stable source of perpetual financial support. Under these policies, the endowment is invested with the intention of obtaining general market returns with a minimum amount of investment and management expenses and minimum risk.

Strategies Employed for Achieving Objectives. The investment funds are in a pooled account managed by GNOF. An allocation in each investment type has not been determined by the Board of Directors.

Note 8 - DONOR DESIGNATED ENDOWMENT (Continued)

Spending Policy and How Investment Objectives Relate to the Spending Policy. Management's policy for appropriating funds for annual expenditures is approximately 5% of the endowment fund's average value. This policy is consistent with the management's long-term objective to preserve the real purchasing power of the principal and provide a stable source of perpetual financial support.

Note 9 - CONCENTRATIONS OF CREDIT RISK

UCP maintained its cash balances in a financial institution where they are insured by the Federal Deposit Insurance Corporation up to $250,000 as of June 30, 2011. As of June 30, 2011 and 2010, there were no uninsured deposits.

Note 10 - THIRD PARTY REIMBURSEMENTS

UCP has agreements with Medicare and Medicaid fiscal intermediaries to provide home health services to qualified patients. For the years June 30, 2011 and 2010, approximately $1,984,000 and $2,112,000, respectively, of program service fees were received from the State of Louisiana Department of Health and Hospitals acting as a Medicare and Medicaid fiscal intermediary. As reflected in the accompanying financial statements, Medicare and Medicaid accounts for approximately 94% of total revenue and support for both the years ended June 30, 2011 and 2010.

The State provides annual contracts to UCP which grant the State the right to audit program accounts and activities. The State, acting as the Medicare and Medicaid intermediary for Medicare and Medicaid patients, reimburses services rendered to Medicare and Medicaid program beneficiaries under an allowable cost reimbursement formula that is subject to audit and retroactive adjustments. Management believes that UCP is in compliance with the provisions of these contracts and grants and that the future findings of an audit, if any, would not have a material impact on the financial statements.

Note 11 - EMPLOYEE BENEFIT PLAN PENSION PLAN

UCP has a defined contribution plan (the "Plan") covering substantially all employees who have one year of service and are age twenty-one or older. Eligible employees may make salary deferral contributions pursuant to Section 401(k) of the Internal Revenue Code. The Plan allows discretionary matching contributions and profit-sharing contributions to be made by UCP. UCP did not make any matching or profit-sharing contributions for the year ended June 30, 2011 and made a matching contribution of $838 to the Plan for the year ended June 30, 2010.

Note 12 - LEASE COMMITMENT

UCP has a three-year operating lease for the rental of office and workshop space. The lease expires in May 2012 and provides for monthly payments of $5,500. As the lease has an escalation clause, UCP has accrued deferred rent to normalize the annual lease payments over the term of the lease. Deferred rent of $15,583 and $6,000 as of June 30, 2011 and 2010, respectively, is included in total liabilities in the accompanying Statement of Financial Position. Rent expense was $71,807 and $71,387 for the years ended June 30, 2011 and 2010, respectively. Minimum future obligations on the lease as of June 30, 2011 are $60,500 through May 2012.

Note 13 - RELATED PARTY TRANSACTIONS

UCP is affiliated with the national organization, United Cerebral Palsy, and pays an annual membership fee. For the years ended June 30, 2011 and 2010, the fee was $26,187 and $30,689, respectively. United Cerebral Palsy provides services to UCP in the capacity of advisor, supporter, and partner in serving the local community. As of June 30, 2011 and 2010, the balance due to United Cerebral Palsy was $2,029 and $2,642, respectively.

Note 14 - UNRELATED BUSINESS INCOME

Revenue from certain projects is considered unrelated business income of a nonprofit organization by the Internal Revenue Service. Any net operating profits derived from such projects are subject to Federal unrelated business income tax.

In August 2010, UCP began sponsoring bingo and pull tab games of which certain proceeds are subject to unrelated business income tax. This income is reported as unrelated business income in UCP's Exempt Organization Business Income Tax Return (Form 990T). For the year ended June 30, 2011, UCP reported net taxable income from its unrelated business income activities of approximately $7,800.

Note 15 - CONTINGENCIES

UCP is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disaster; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the years ended June 30, 2011 and 2010.

During the fiscal year ended June 30, 2005, an audit was conducted by the State of Louisiana for the period November 1, 2002 through January 31, 2003 and March 1, 2005 through May 31, 2005 as a provider history review and November 1, 2001 through November 1, 2003 as a scientific sample. The audit concluded that UCP billed and subsequently was paid approximately $350,000 of supervised independent living and personal care attendant services which had undocumented progress notes in the records maintained by UCP. The State of Louisiana is seeking reimbursement for the $350,000 and approximately $50,000 of interest. On December 1, 2011 during settlement negotiations, the State of Louisiana offered to reduce the claim by 50%. On December 6, 2011 a hearing was held on the State of Louisiana's motion to dismiss UCP's appeal. The State of Louisiana's motion was denied. A formal hearing date for UCP's appeal has yet to be determined.

Management believes that any potential liability resulting from the State of Louisiana audit will be significantly less than the $400,000 or eliminated completely. UCP has recorded no accrual for the potential loss as of June 30, 2011 and 2010 based on the information available. The final outcome of the audit could have a material impact on the operations of UCP and could potentially compromise its ability to continue as a going concern.

Note 16 - SUBSEQUENT EVENTS

On November 17, 2011, UCP negotiated a $50,000 line of credit which matures on November 14, 2012. The line of credit has a variable rate of interest based on the Wall Street Journal Prime Rate and is secured with certain UCP's bank account balances.

SUPPLEMENTAL INFORMATION

SCHEDULE OF INCOME AND EXPENSES BY PROGRAM

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2011
(Unaudited)

	Program Services				Supporting Services			
	Adult Program	Children's Program	Supported Living Services	Totals	Fundraising and Management and General	Administrative Services Restricted	Totals	Totals
Revenues and Support								
Government fees and grants	$ 500	$ 5,334		$ 5,834				$ 5,834
United Way funding - designations	12,000			12,000	$ 3,003		$ 3,003	15,003
Board generated self-support				-	12,344		12,344	12,344
Client generated self-support	79,509	120	$ 1,950,240	2,029,869		$ 27,916	27,916	2,057,785
Other income	6,636			6,636	19,695		19,695	26,331
Support services allocated				-			-	-
revenue	7,870	7,870	47,219	62,958	(35,042)	(27,916)	(62,958)	-
Total revenues and support	106,515	13,324	1,997,459	2,117,297	-	-	-	2,117,297
Expenses								
Total compensation	44,815	7,467	1,509,604	1,561,886	-	250,407	250,407	1,812,293
Occupancy and related expenses	14,865	597	62,706	78,168	-	26,358	26,358	104,526
Travel and meetings			10,374	10,374	-	10,288	10,288	20,662
Other direct program expenses	25,289	1,826	11,486	38,601	-	83,077	83,077	121,678
Allocation of support services	46,266	46,266	277,598	370,130		(370,130)	(370,130)	-
Total expense before non-cash expenses	131,235	56,156	1,871,768	2,059,159	-	-	-	2,059,159
Total	(24,721)	(42,833)	125,691	58,138	-	-	-	58,138
Non-Cash Expense								
Depreciation expense	2,090	-	7,963	10,053	-	3,385	3,385	13,438
Increase (decrease) in net assets	$ (26,811)	$ (42,833)	$ 117,728	$ 48,085	$ -	$ (3,385)	$ (3,385)	$ 44,700

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,
United Cerebral Palsy of Greater New Orleans, Inc.,
Kenner, Louisiana.

We have audited the financial statements of United Cerebral Palsy of Greater New Orleans, Inc. ("UCP"), as of June 30, 2011 and for the year then ended, and have issued our report thereon, dated December 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of UCP is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered UCP's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UCP's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of UCP's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of significant deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of UCP's financial statements will not be prevented, or detected and corrected, on a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Responses as item 11-01 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UCP's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

UCP's response to the finding indentified in our audit is described in the accompanying Schedules of Findings and Responses. We did not audit UCP's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors, management, other state agencies and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

New Orleans, Louisiana,
December 14, 2011.

SCHEDULE OF FINDINGS AND RESPONSES

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2011

Section I - Summary of Auditor's Report

a) Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ____ yes _X_ no
- Significant deficiency(ies) identified? _X_ yes ___ none reported

Noncompliance material to financial statements noted? ____ yes _X_ no

b) Federal Awards

UCP did not receive federal awards in excess of $500,000 during the year ended June 30, 2011 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

11-01 Preparation of Financial Statements and Disclosures

Criteria - Adequate internal controls in relation to financial reporting require UCP to have the ability to prepare its own financial statements in accordance with generally accepted accounting principles (GAAP), including all required footnote disclosures, or detect misstatements or errors in statements prepared by others.

Section II - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements (Continued)

Internal Control Over Financial Reporting (Continued)

11-01 Preparation of Financial Statements and Disclosures (Continued)

Condition - Financial statements and required disclosures were prepared by the auditors.

Cause - The management of UCP has not determined a need for a financial person possessing the required technical expertise for cost-benefit reasons.

Effect - The independent auditor cannot be part of UCP's internal control over financial reporting.

Recommendation - Management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical - None.

Compliance and Other Matters

There were no findings noted during the audit of the year ended June 30, 2011 related to compliance and other matters.

Section III - Federal Award Findings and Questioned Costs

Not applicable.

REPORTS BY MANAGEMENT

MANAGEMENT'S CORRECTIVE ACTION PLAN

United Cerebral Palsy of Greater New Orleans, Inc.
Kenner, Louisiana

For the year ended June 30, 2011

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

11-01 Preparation of Financial Statements and Disclosures

Recommendation - Management and those charged with governance can mitigate the lack of qualifications and expertise in preparing financial statements by carefully reviewing the financial statements, including disclosures.

Management's Corrective Action - Management and those charged with governance will carefully review audited financial statements and related disclosures. For cost benefit reasons, management will rely on the independent auditor to identify related disclosures and prepare the financial statements in accordance with generally accepted accounting principles.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2011.

Section II - Internal Control and Compliance Material To Federal Awards

United Cerebral Palsy of Greater New Orleans, Inc. did not receive federal awards in excess of $500,000 during the year ended June 30, 2011 and, therefore, is exempt from the audit requirements under the Single Audit Act and OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

Section III - Management Letter

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2011.